GOVERNMENT OF MYSORE.

Department of Law and Parliamentary Affairs

NOTIFICATION

No. LAW 62 LCR 1973, Bangalore, dated 6th July 1973.

The Governor of Mysore is pleased to order that the Sugar Export Promotion Rules, 1973 which has been published as G.S.R. 174(E) in the Gazette of India, Extraordinary Part II, Section 3, sub-section(i), dated the 21st March 1973 be republished in the **Mysore Gazette** for General information.

H. SUBBA RAO,
Under Secretary to Government,
Department of Law and Parliamentary Affairs.

GOVERNMENT OF INDIA

MINISTRY OF AGRICULTURE

(Department of Food)

NOTIFICATION

New Delhi, the 21st March 1973

G.S.R. 174(E).—In exercise of the powers conferred by section 13 of the Sugar Export Promotion Act, 1958 (30 of 1958), the Central Government hereby makes the following rules, namely :—

1. **Short title and commencement.**—(1) These rules may be called the Sugar Export Promotion Rules, 1973.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. **Definitions.**—In these rules, unless the context otherwise requires,—

(i) "Act" means the Sugar Export Promotion Act, 1958 (30 of 1958);

(ii) "Authorised person" means an officer or authority empowered under section 11 of the Act;

(iii) "Export agency" means the export agency specified by the Central Government under sub-section (1) of section 3 of the Act.

3. **Sale of sugar for export.**—(1) The Central Government or the authorised person may require the export agency to obtain its or his approval as the case may be before the transaction for sale of sugar for export is finalised and to submit such information as may be considered necessary.

(2) The export agency shall, for any transaction for sale of sugar finalised by it under sub-rule (1), execute a contract with any buyer in India or abroad only after it has obtained the approval of the Central Government or the authorised person, after intimating full details thereof.

(3) The export agency shall settle dispute arising from any contract executed by it under sub-rule (2), in consultation with the Central Government or the authorised person.

4. **Delivery of export quota by the factory.**—(1) After fixation of the export quota of a factory by the Central Government, the export agency shall issue despatch instructions in writing, to the factory to deliver to it from time to time, sugar in such quantities, of such grade and quality, in such manner, within such time limit and at such place, as may be specified therein, having due regard to the present and the future export requirements for the purpose of efficient performance of the export programme in accordance with the terms spelt out in any contract entered into by the export agency with any buyer of sugar for export.

(2) The export agency may take delivery of the export quota of one factory from another factory provided it is so agreed to by the quota-holding factory and the supplying factory.

(3) A copy of the despatch instructions so issued shall be furnished by the export agency to the Central Government or to the authorised person.

(4) The export agency shall make all arrangements for the receipt and storage, affreightment, shipment and delivery, at such port, at such time, in such quantity of sugar, of such quality and in such manner, and also for discharge thereof at such destination port as may be specified in any contract entered into with any buyer of sugar for export.

(5) The export agency shall inform the Central Government or the authorised person of the deliveries made out of export quota by the factories every month.

5. **Failure to deliver export quota by the factory.**—If any owner fails to deliver the export quota of the factory or if the quantity supplied or delivered falls short of the export quota fixed, the export agency shall inform the Central Government or the authorised person of such cases, within forty five days of the expiry of the period fixed under sub-section (1) of section 4 of the Act and the officer responsible for collection of Central Excise Duty under the provisions of the Central Excises and Salt Act, 1944 (1 of 1944) and the rules made thereunder.

6. **Purchase of sugar.**—The purchase of sugar for export under the proviso to sub-section (1) of section 8 of the Act, in lieu of sugar diverted for internal sale, shall be made by the export agency, by invitation of open tenders or by negotiations.

7. **Maintenance and audit of accounts.**—(1) The accounts of the export agency shall be maintained in accordance with commercial principles of double entry

book-keeping, and in accordance with the directions issued, if any, in this respect by the Central Government or the authorised person and if the export agency be a Company, the provisions of the Companies Act, 1956 (1 of 1956), shall be followed in regard to maintenance of various books of account.

(2) The audit of accounts of the export agency shall be done by an auditor duly qualified to act as an auditor of a company under section 226 of the Companies Act, 1956 (1 of 1956).

(3) The appointment of the auditor shall be made by the export agency in consultation with the Central Government or the authorised person.

(4) Notwithstanding the provisions of sub-rule (2), the Central Government or the authorised person or such person as may be authoroised in this behalf shall have powers to inspect the accounts of the export agency at any time.

8. **Inspection of accounts of factory.**—The export agency may inspect the records and registers of the owner of the factory in so far as they relate to the manufacture, delivery, sale, diversion and any other transaction connected with the export quota.

9. **Submission of final accounts.**—After completion of all shipments, the export agency shall submit final account duly audited, within a reasonable time to the Central Government or the authorised person showing **inter alia** details of sale proceeds in respect of the quantity fixed for export under section 4 of the Act, the total expenditure incurred by the export agency, whether by way of administrative expenses or otherwise, and the share paid or payable to the owners in proportion to the quantity of sugar delivered by them and the position in respect of outstanding liabilities, claims or any other transaction connected therewith till the date of finalisation of sale shall also be mentioned therein.

10. **Payment to the owner.**—(1) The export agency shall inform the Central Government or the authorised person as to how the 'on account" payment made to an owner under sub-section (4) of section 9 of the Act has been worked out and it shall be supported by an estimate of sale proceeds and the total administrative expenses or otherwise.

(2) The final payment to owner shall be made by the export agency within a period of two months after submission of final accounts to the Central Government or the authorised person.

11. **Stock accounts.**—The export agency shall furnish every month the stock accounts of sugar kept at any port showing inter alia the opening stock; the quantity received from the owners of factories whether by way of delivery of export quota or purchase of sugar under the proviso to sub-section (1) of section 8 of the Act quantity shipped, closing stock etc.

12. **Submission of returns and reports.**—The owner and the export agency shall furnish such returns and reports as the Central Government or the authorised person may, from time to time direct, in connection with the export of sugar.

13. **Penalty.**—Whosoever commits the breach of any of these rules shall be punishable with fine which may extend to five thousand rupees.

[No. 10-3/71-S-EXP.]

S. V. SAMPATH, Jt. Secy.